

Exhibit 7

*State of California ex. rel. Ven-A-Care of the Florida Keys, Inc. v.
Abbott Laboratories, Inc., et al.*

Exhibit to the Declaration of Nicholas N. Paul in Support of Plaintiffs' Motion for Summary
Judgment as to Defendant Sandoz

NO. D-1-GV-07-001259

THE STATE OF TEXAS) IN THE DISTRICT COURT
)
ex rel.)
VEN-A-CARE OF THE)
FLORIDA KEYS, INC.,)
)
Plaintiffs,)
)
VS.) TRAVIS COUNTY, TEXAS
)
SANDOZ, INC. f/k/a GENEVA)
PHARMACEUTICALS, INC.,)
NOVARTIS PHARMACEUTICAL)
CORP., NOVARTIS AG, EON)
LABS, APOTHECON, INC.,)
)
MYLAN PHARMACEUTICALS, INC.,)
MYLAN LABORATORIES, INC.,)
UDL LABORATORIES, INC.)
)
TEVA PHARMACEUTICALS USA,)
INC., f/k/a LEMMON)
PHARMACEUTICALS, INC.,)
COPLEY PHARMACEUTICALS,)
INC., IVAX PHARMACEUTICALS,)
INC., SICOR PHARMACEUTICALS,)
INC., TEVA NOVOPHARM, INC.,)
and TEVA PHARMACEUTICAL)
INDUSTRIES, LTD.)
Defendants.) 201ST JUDICIAL DISTRICT

ORAL AND VIDEOTAPED DEPOSITION OF

FRANK STIEFEL

November 13, 2008

Cynthia Vohlken, CSR
(512) 364-8166

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UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

IN RE: PHARMACEUTICAL)
INDUSTRY AVERAGE WHOLESALE) MDL No. 1456
PRICE LITIGATION) Master File No.
01-12257-PBS
THIS DOCUMENT RELATES TO:)
Judge Patti B. Saris
State of California, ex rel.)
Ven-A-Care v. Abbott) Magistrate
Laboratories, et al.) Judge Marianne Bowler
Cause Nos. 03-cv-11226-PBS)

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

IN RE: PHARMACEUTICAL)
INDUSTRY AVERAGE WHOLESALE) MDL No. 1456
PRICE LITIGATION) Master File No.
01-CV-12257-PBS
THIS DOCUMENT RELATES TO:)
Judge Patti B. Saris
City of New York, et al., v.)
Abbott Laboratories, et al.,)
Civil Action No. 04-cv-06054,)
et al.)

1 your product is not on the state Medicaid formulary,
2 that state Medicaid program is not going to reimburse
3 the provider for the sale of that product, correct?

4 A. It will kick out the claim, yes.

5 Q. Okay. But whether voluntary or not, you've
6 told us that Geneva did participate or did list its
7 products on the states' Medicaid formularies, correct?

8 MR. GALLAGHER: Objection, form.

9 A. They listed products on those formularies,
10 yes.

11 Q. (BY MR. RIKLIN) Including the Texas Medicaid
12 formulary, correct?

13 A. Yeah.

14 Q. Would you agree, Mr. Stiefel, that by
15 participating in the various Medicaid programs, that
16 Sandoz had a duty to familiarize itself with
17 applicable federal and state laws, rules and
18 regulations --

19 MR. GALLAGHER: Objection --

20 Q. (BY MR. RIKLIN) -- governing those products?

21 MR. GALLAGHER: Objection, form.

22 A. That they would have to be aware of the
23 regulations?

24 Q. (BY MR. RIKLIN) Yes.

25 A. Yes.

1 A. I am.

2 Q. Okay. And during your time at Sandoz
3 strategic customers were the customers that
4 purchased -- were the biggest volume purchasers,
5 correct?

6 A. Yes.

7 MR. GALLAGHER: Objection, form.

8 A. I'm sorry. They were the large volume
9 purchasers.

10 Q. (BY MR. RIKLIN) Okay. During your time at
11 Sandoz did you have an understanding of the term
12 "chain warehouse"?

13 A. Yes.

14 Q. Okay. What's a chain warehouse?

15 A. It's a warehouse owned by a chain where they
16 receive and redistribute product.

17 Q. Give us some examples of -- of some of
18 Sandoz's chain warehouse customers during the time you
19 were there.

20 A. Walgreens, CVS, Wal-Mart, Rite Aid.

21 Q. Okay. The big retail chains -- or a lot of
22 the big retail chains had their own warehouse
23 facilities.

24 A. Yes.

25 Q. During your time at Sandoz were you familiar

1 with the term "direct price"?

2 A. Yes.

3 Q. What -- what does direct price mean to you?

4 A. If you buy the product directly from us, not
5 through a third party, you are given a direct price.

6 Q. Okay. So the chain warehouses, such as
7 Wal-Marts and Walgreens, et cetera, were direct
8 purchasers from Sandoz?

9 A. For most of our line, yes.

10 Q. They may have -- some of the -- some of the
11 retail chains may have purchased directly and
12 indirectly through wholesalers, correct?

13 A. Yes.

14 Q. In addition to the -- well, Sandoz -- during
15 the time you were there Sandoz had contracts with
16 various retail chain pharmacies, correct?

17 A. Correct.

18 Q. CVS, correct?

19 A. Correct.

20 Q. Wal-Marts?

21 A. Correct.

22 Q. Walgreens?

23 A. Correct.

24 Q. Rite Aid?

25 A. Yes.